

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF OKLAHOMA

IN RE:

ATOKA COUNTY HEALTHCARE
AUTHORITY,

Debtor.

Case No. 17-80016
(Chapter 9)

DEBTOR'S STATUS REPORT

Atoka County Healthcare Authority (“Debtor”), who oversees the management and operation of Atoka County Medical Center (“ACMC”), hereby files this Status Report in compliance with the Court’s Minute Entry dated April 15, 2020 [Doc. #175] to update the Court regarding Debtor’s recent operational and financial performance.

Management:

1. Carrus Healthcare, LLC (“Carrus”) was previously retained, with the due approval of Debtor’s Governing Board, as a partner to provide overall day-to-day management and forward-looking strategic direction to ACMC.
2. Carrus has been operating ACMC for approximately one year at this point in time.
3. The Debtor has been very pleased with Carrus’ standard of management skill and ability to not only maintain the high level of care at ACMC, but to improve upon it many ways that will be discussed further below.

Patient Care Ombudsman.

4. Deborah Burian, the duly appointed Patient Care Ombudsman (“PCO”) made a site visit to ACMC on January 15, 2020.

5. Her observations during that visit are described in her 19th Periodic Report, filed on April 24, 2020 [Doc. No. 178].

6. While some dietary issues were noted in the report, ACMC staff and Carrus continue to work together with the Ombudsman in order to assure the highest quality of care possible.

Community Involvement

7. Debtor has continued to remain active in community events. However, ACMC's annual Community Health Fair, which was to be held in April, had to be rescheduled later in the fall due to COVID-19.

8. ACMC has been planning, in partnership with Atoka County public schools and Career Tech schools, a health career day. This event is envisioned to be one in which ACMC staff educate students on positions within the hospital, and together with the general surgery team, take a laparoscopic robot to the schools to allow students to perform a simulated procedure.

9. Additionally, ACMC staff are active within the local Chamber of Commerce, Lions Club, Pioneer Women club, and Senior Events club.

Facilities / Equipment Maintenance

10. The Debtor and Carrus have taken great strides to update ACMC's facilities and equipment.

11. For example, within the last several months, the Debtor purchased:

- 25 new bedside tables at the cost of \$7,441.25 (required for regulatory compliance);

- four Emergency Room stretchers, which were past their useful life, in at the cost of approximately \$31,000.00;
- four new crash carts for approximately \$25,871.00; and
- four new defibrillators for \$28,000.00.

12. The Debtor has also made several miscellaneous repairs to its building including its AC unit, its boiler, its hot water tank, and roof.

COVID-19 & Financial Condition

13. The COVID-19 pandemic has affected all businesses in Oklahoma, including health care providers.

14. However, Debtor and Carrus believe they have a firm handle on ACMC's cash position at the moment, and have weathered the storm well so far.

15. Although many services had to be temporarily halted due to governmental and regulatory proclamations, out-patient services are set to resume on May 4, 2020.

16. Moreover, out-patient surgeries will resume June 2, 2020, with what is currently seven to nine potential surgical procedures.

17. The reduction in ability to provide services has significantly reduced ACMC's cash flow. However, Debtor received \$362,000.00 in COVID-19 related stimulus funds, which has been placed into savings for use if the hospital's revenues continue to drop.

18. It is also possible that Debtor could receive a second, though likely smaller, round of stimulus funds.

19. ACMC maintained an average daily census 10.2 during the month of April during the COVID-19 outbreak, which is a slight improvement over roughly the same time one year ago, despite the pandemic.

20. Debtor has remained current on its payments to secured creditor UMB Bank, National Association, as indenture trustee with respect to the Debtor's Hospital Revenue Bonds, Series 2007.

21. Debtor has also maintained reduced payments to USDA under its secured debt with that creditor.

Progress Toward a Disclosure Statement and Plan.

22. Debtor disclosed to the Court at the Status Conference held January 8, 2020, that Debtor's counsel was prepared to engage the services of an appraiser to conduct an appraisal of ACMC and its assets in furtherance of developing an exit strategy for this case.

23. An appraiser was hired thereafter, and the preliminary work of gathering several years of Board Packets and financial information, and past audits was begun in March.

24. However, the appraisal has been placed on hold for the time being because ACMC staff and management have had to focus entirely on managing the COVID-19 situation.

25. Debtor will likely not know the full extent of the delay caused to creating an exit strategy until June, after the State of Oklahoma has removed all or most of its novel corona virus precautionary restrictions.

Conclusion.

26. The Court has set a Telephonic Status Conference to be held on 7/15/2020 at 08:30 AM. Telephonic hearing Call in Number 888.684.8852, with Access Code 8488521, and Security Code 1347.

27. Debtor will provide additional written reports to the Court should it desire further information before that time.

Respectfully Submitted,

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